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75 Hawthorne St.  
Suite 401  
San Francisco, CA 94105

JUN 28


Phyllis Biedess, Director  
Arizona Health Care Cost Containment System  
801 E. Jefferson  
Phoenix, AZ 85034

Dear Ms. Biedess:

Enclosed is an approved copy of Arizona State plan amendment (SPA) 01-003, which implements less restrictive income and resource methodologies for determining Medicaid eligibility for the 1931 group. I am approving this SPA with the requested effective date of July 1, 2001.

If you have any questions, please have your staff contact Ronald Reepen at (415) 744-3601.

Sincerely,

  
Linda Minamoto  
Associate Regional Administrator  
Division of Medicaid

Enclosures

cc:

Joan Peterson, HCFA, CMSO, FCHPG  
Elliot Weisman, HCFA, CMSO, PCPG

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AHCCCS/RECEIVED  
DIRECTOR'S OFFICE

c: Phyllis  
Barnes  
Lynne Denton  
Diane Ross  
JMC

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Arizona

COVERAGE AND CONDITIONS OF ELIGIBILITY

Citation(s)

Groups Covered

A. Mandatory Coverage - Categorically Needy and Other  
Required Special Groups (Continued)

1902(a) (10) (A)  
(i) (IV) and  
1902(l) (1) (A)  
and (B) of the  
Act

8. Pregnant women and infants under 1 year of age with family incomes up to 133 percent of the Federal poverty level who are described in section 1902(a) (10) (A) (i) (IV) and 1902(l) (1) (A) and (B) of the Act. The income level for this group is specified in Supplement 1 to ATTACHMENT 2.6-A.

X The State uses a percentage greater than 133 but not more than 185 percent of the Federal poverty level, as established in its State plan, State legislation, or State appropriations as of December 19, 1989.

9. Children:

1902(a) (10) (A)  
(i) (VI) and  
1902(l) (1) (C)  
of the Act

- a. who have attained 1 year of age but have not attained 6 years of age, with family incomes at or below 133 percent of the Federal poverty levels.

1902(a) (10) (A) (i)  
(VII) and 1902(l)  
(1) (D) of the Act

- b. born after September 30, 1983, who have attained 6 years of age but have not attained 19 years of age, with family incomes at or below 100 percent of the Federal poverty levels.

X Children born after  
June 30, 1982

(specify optional earlier date)  
who have attained 6 years of age but have not attained 19 years of age, with family incomes at or below 100 percent of the Federal poverty levels.

Income levels for these groups are specified in  
Supplement 1 to ATTACHMENT 2.6A.

TN No. 01-003

Supersedes

TN No. 92-001

Approval Date

JUN 28 2001

Effective Date

July 1, 2001

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

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ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State plan effective July 16, 1996:

- ☒ Pregnant women with no other eligible children.
- ☒ AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.
- ☒ Families with unemployed parents.

The State wants to continue providing Medicaid to all cash assistance recipients. All Medicaid eligibility provisions apply.

☒ In determining ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(ii)(I) of the Act, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 except that the agency excludes an additional \$1,000 in resources, effectively increasing the resource standard to \$2,000.

☒ In determining eligibility for Medicaid, other than ALTCS, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

- ☐ The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988, as follows:
- ☐ The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:
- ☐ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

1. The \$90 cost of employment and \$30 and 1/3 earned income disregard will be allowed, with no time limit.
2. Dependent child's earned income will be totally disregarded provided the child is enrolled at least half the time in any recognized elementary, secondary, or post secondary school.
3. Dependent care deductions will be allowed as billed not to exceed the Title IV-A standard that was in place as of July 1996.
4. Exclude all resources.
5. The Fair Labor Standard Act "FLSA Supplement Income" payment by the State's TANF agency to Temporary Assistance to Needy Families (TANF) recipients engaging in uncompensated work activity, is disregarded as income.
6. The one time lump sum TANF grant diversion payment is disregarded as income and as resources.
7. Earned income received in the second and third month of eligibility is disregarded for recipients.
8. Non-recurring lump sum payment other than the one-time lump sum grant diversion payment will be counted as income or a resource in the month received, whichever is less restrictive.
9. Eliminate the shelter cost factor when applying the income standard for the family size, thereby using the highest standard.
10. For applicants who meet the needs test and for all recipients, apply the existing \$30 and 1/3 earned income disregards or for all applicants and recipients, an income disregard equal to the difference between the income standard and 100% of the Federal Poverty Level for the family size, adjusted annually, plus one dollar, whichever is greater. Income eligibility will be calculated as follows:
  - a. Starting with the family's countable unearned and earned income, subtract from the earned income, the earned income disregards of \$90 cost of employment, \$30 and 1/3 of the remainder and appropriate dependent care expenses and compare the family's total net amount to 36% of the 1992 FPL income standard. If the net amount is less than the standard, the family is eligible under Section 1931 of the Social Security Act. If the net amount equals or exceeds the standard, complete a second step.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

- b. Use the same methodology except for the \$30 and 1/3 earned income disregard, apply the 100% FPL income disregard to the family's net unearned and earned income and compare the net income amount to the income standard. If the net amount is less than the standard, the family is eligible under Section 1931 of the Social Security Act.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

1. The 30% or \$30 and 1/3 earned income disregard, whichever is greater.
2. Part-time students are eligible for disregard only if working part-time.
3. Dependent care deductions are allowed as paid not to exceed the Title IV-A standard that was in place as of July 1996.
4. \$2,000 resource standard.
5. None. This supplement payment was first implemented by the State's TANF agency in July 1999.
6. None. The TANF Grant Diversion program was first implemented by the state in October 1999.
7. None
8. Lump sum payment counted as income in the month received and any remaining amount is considered as a resource in the following month.
9. In effect as of July 16, 1996, the income standard was adjusted for a shelter cost factor.
10. In effect as of July 16, 1996, there was no additional income disregard if the family's net income, after applying all appropriate income disregards, met or exceeded the income standard.

--- The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

- X The agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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Waiver of §402(a)(41) and §407 of the Act and 45 CFR 233.100(a)(1) and (c)(1)(iii) and 233.101(a)(1) and (c)(1)(iii). A child will be considered deprived if the family income is below the applicable income payment standard, regardless of the number of hours the principal wage earner is employed.

TN No. 01-003

Supersedes

TN No. 00-015

Approval Date JUN 28 2001

Effective July 1, 2001